

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1541 – SB 2544**

February 21, 2016

**SUMMARY OF BILL:** Broadens the scope of the Used Oil Collection Act to address, in addition to the proper disposal of used oil, the proper disposal of other automotive fluids, defined as antifreeze, transmission fluids, and power steering fluids. Defines an automotive fluid collection center as a facility that accepts used oil or any other automotive fluid. Authorizes the Department of Environment and Conservation (TDEC) to develop management standards for the collection of other automotive fluids by automotive fluid collection centers to promote the health and welfare of the public. Requires TDEC to design and provide signs, upon request, to be posted at retailers of other automotive fluids, informing the public of the importance of proper collection and disposal of other automotive fluids.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$150,000/One-Time/Used Oil Collection Fund  
\$150,000/Recurring/Used Oil Collection Fund**

**Increase Local Revenue – \$150,000/One-Time  
\$150,000/Recurring**

**The Governor's proposed budget for FY16-17, on page A-40, recognizes a one-time increase in state expenditures to the Used Oil Collection Fund of \$150,000, and a recurring increase in state expenditures to the Fund of \$150,000.**

**Assumptions:**

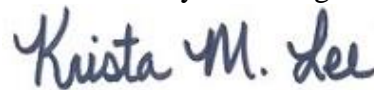
- The Used Oil Collection Act is intended to reduce the amount of improperly disposed used oil by providing incentives to increase the number of collection facilities for used oil.
- Pursuant to Tenn. Code Ann. § 68-211-1006, a \$0.02 per quart fee is levied on the sale of packaged automobile oil by a distributor of automobile oil, proceeds of which, in addition to any gifts, grants and donations, is used to fund the Used Oil Collection Fund.
- Pursuant to Tenn. Code Ann. § 68-211-1005, the Fund is authorized to be used for, among other purposes, grants or subsidies to local governments to establish and operate used oil collections centers, purchase equipment which burns used oil as fuel, developing and implementing educational programs to encourage proper handling, disposal and recycling of used oil, as well as for grants to develop and implement

programs to provide direct incentives to do-it-yourselfers to properly handle and dispose of used oil.

- The proposed bill authorizes the Used Oil Collection Fund to be used to support the collection and recycling of other automotive fluids, in addition to collection and recycling of automotive oil.
- The \$0.02 per quart fee will not be imposed upon distributors of other automotive fluids.
- In FY13-14, TDEC funded all grant requests by local entities, incurring \$440,300 in expenditures from the Fund. The Department anticipates funding all grant requests in future years.
- Currently, there are 52 counties in Tennessee that provide used antifreeze collection for do-it-yourselfers.
- Based on the information received from TDEC, it is assumed that in FY16-17, funding priority will be given to counties that lack adequate antifreeze collection infrastructure. The support of such need is assumed to decrease in subsequent years.
- Therefore, it is estimated that there will be a one-time increase in state expenditures of \$150,000 from the Used Oil Collection Fund and a one-time increase in local revenue of \$150,000 to support infrastructure development.
- In addition to the one-time increase in state expenditures for infrastructure development, the proposed legislation is estimated to result in a recurring increase in state expenditures from the Fund, and a corresponding recurring increase in local revenue, of approximately \$150,000.
- The Governor's proposed budget for FY16-17, on page A-40, recognizes a one-time increase in state expenditures to the Used Oil Collection Fund of \$150,000, and a recurring increase in state expenditures to the Fund of \$150,000.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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